MPT Trustees for reduction of life span of tugs

3586. SHRI K.B. KRISHNA MURTHY: Will the Minister of SHIPPING be pleased to state:

(a) whether in compliance with the decision of Trustees of the Mumbai Port Trust in 1991 to reduce the life span of 9 tugs from 30 years to 20 years, the tugs were laid up during 1997—2000;

(b) whether in replecement the Port Trust had to hire tugs during 1997—2000 incurring an expenditure of Rs. 32.00 crore; and

(c) the reason for not taking any action after the decision to reduce the life span arrived in 1991 for replacement of exhausted tugs and to fix the responsibility?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD YESSO NAIK): (a) No, Sir. However, only 4 tugs were laid up during 1998—2000 based on the reivew of their operational capability, age and economic viability.

(b) Two tugs were hired for a period of 2 years from July, 1998 to meet the operational requirements especially that of higher Bollard Pull to handle larger capacity tankers calling at the Marine Oil Terminal and the Chemical Terminal. Expenditure on this hire was Rs. 17.08 crore from July, 1998 to March, 2000.

(c) Out of 9 harbour tugs, only 4 conventional ones had crossed the economic life of 20 years by 1991. Other 5 tugs, which were non-conventional having been procured in 1984/85 had completed only about 7 years by that time and, therefore, were not due for replacement in 1991. All the 4 conventional tugs were in good operational condition in 1991 and, therefore, replacement was not immediately taken up in 1991. Subsequently, a review was taken of the 9 harbour tugs and their replacement programme was prepared and approved by the Board of Trustees in May, 1996, and acted upon leading to placement of order of two 45 tonne capacity tugs in July, 1998.

Transportation of Oil

3587. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of SHIPPING be pleased to state:

(a) whether it is a fact that after dismantling of APM from 1st Apirl, 2002, oil companies are making their own arrangements for transportation of oil;

(b) if so, the details thereof;

(c) the impact of this arrangement on the shipping industry; and

(d) the steps taken or proposed to be taken to face the situation?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD YESSO NAIK): (a) and (b) Yes, Sir, Currently Indian Oil Corporation (IOC) is the nodal agency for crude purchase and Shipping Corporation of India (SCI) is the nodal agency for crude transportation. After dismantling of Administrative Price Mechanism (APM) from 1st April, 2002, individual oil public sector companies such as Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd., and Indian Oil Corporation are to make their own arrangements for sourcing / transportation of crude oil.

(c) and (d) The impact of dismantling of APM can not be assessed, as of now, with a fair degree of accuracy. The Government has already approved the SCI's plan to enter into Contract of Affreightment (COA) with Hindustan Petroleum Corporation Ltd., and Bharat Petroleum Corporation Ltd. for the year 2002-03 for transportation of crude oil. Further the Government policy of buying on FOB (Free on Board) basis with preference to Indian vessels continues.

Transport corridor between Asia and Europe

3588. SHRI NANA DESHMUKH: Will the Minister of SHIPPING be pleased to state:

(a) whether Government have signed a deal in Russia for opening a new transport corridor *via* Iran between Asia and Europe;

(b) whether the proposed corridor would save time and transport cost;

(c) if so, the quantum thereof; and

(d) by when such an Asia transport bridge is likely to take shape?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD YESSO NAIK): (a) Yes, Sir. An Inter-Governmental Agreement on International North-South Transport Corridor has been signed amongst India, Russia and Iran.

(b) and (c) There will be substantial saving in time and cost of transportation of goods by virtue of utilization of the transport corridor from ports of India to Moscow passing through Iran and Caspian Sea. As per the preliminary indications, this corridor can facilitate about 20% reduction in delivery time and transportation cost.

(d) This agreement will come into force with its ratification by the three countries. Implementation of the provisions of this agreement and the operationalisation of the transport corridor route will begin to take shape